

FREQUENTLY ASKED QUESTIONS (FAQs)
ON CIRCULAR LETTER NO.11/ 22 /DPM DATED AUGUST 12, 2009
CONCERNING
PROCEDURE OF AUCTION AND ADMINISTRATION OF STATE SHARIA
SECURITIES

Q. Who may bid in the auction of State Sharia Securities (*Surat Berharga Syariah Negara-SBSN*)?

A. Any party may bid in the auction of State Sharia Securities with the following conditions:

- Parties other than Bank Indonesia and the Indonesia Deposit Insurance Corporation (*Lembaga Penjamin Simpanan-LPS*) shall bid via auction participants;
- Parties other than Bank Indonesia and the Indonesia Deposit Insurance Corporation shall bid for State Sharia Securities for and behalf of themselves and/or other parties;
- Bank Indonesia and the Indonesia Deposit Insurance Corporation shall bid for State Sharia Securities only for and on behalf of themselves;
- Parties other than Bank Indonesia may purchase both short and long-term State Sharia Securities;
- Bank Indonesia may only purchase short-term State Sharia Securities;
- Bank Indonesia and the Indonesia Deposit Insurance Corporation may only perform a non-competitive bidding.

Q. When is the organization of auction of the State Sharia Securities?

A. Auction of the State Sharia Securities shall be performed from 10.00 until 12.00 West Indonesia Time (WIB) or other times as determined by the Minister of Finance *c.q.* the Director General of Debt Management.

Plan for the auction shall be announced by Bank Indonesia by no later than 1 (one) business day before through BI-SSSS (Bank Indonesia-Scripless Securities Settlement System), the Commercial Bank Daily Report (*Laporan Harian Bank Umum-LHBU*) and other means.

Q. What is the minimum bid to be submitted by the auction participants?

A. In the event of competitive bidding, the auction participants shall submit a volume offer of not less than 1,000 units or 1 billion Rupiah with a multiple of 100 units or 100 million Rupiah and a yield offer with a multiple of 1/32 or 0.03125 or price offer with a multiple of 0.05%.

In the event of non-competitive bidding, the auction participants shall only submit a volume offer according to the above-mentioned provisions.

Q. When will the result of auction of State Sharia Securities be known?

A. Result of the auction of State Sharia Securities may be known at the end of the day of the Auction of State Sharia Securities. According to the stipulation of the Minister of Finance, Bank Indonesia shall:

- announce the result of the Auction of State Sharia Securities, which at least states the overall Nominal Value won and the weighted average of Coupon and/or discount rates; and
- inform the result of the Auction of State Sharia Securities to each auction participant which at least states the name of the winner, the nominal value won and the coupon and/or discount rates.

Q. When will the result of the auction of State Sharia Securities be settled and how?

A. Settlement of the result of the auction of State Sharia Securities shall be performed by no later than 2 (two) business days following the date of auction (T+2) in the case of auction of short-term State Sharia Securities and by no later

than 5 (five) business days following the date of auction (T+5) in the case of auction of long-term State Sharia Securities.

The settlement shall be performed by debiting the rupiah giro account of the Bank and/or the paying Bank appointed by the Sub-Registry at Bank Indonesia and crediting the rupiah giro account of the Government at Bank Indonesia in the amount of the settlement value as well as crediting the securities account of the auction participant in the Central Registry in the amount of the total nominal value of the State Sharia Securities won.

Q. When will the payment of State Sharia Securities coupon and/or State Sharia Securities nominal value be performed and what will be the basis of payment?

A. Payment of coupon and/or nominal value of State Sharia Securities shall be performed on the due date of payment of coupon and/or nominal value or on the next business day if the due date is a holiday.

The payment shall be performed based on the position of ownership of State Sharia Securities registered in the BI-SSSS on 2 (two) business days prior to the due date of payment of coupon and/or nominal value of State Sharia Securities (T-2).

Q. What is the mechanism for the payment of coupon and/or value of the State Sharia Securities?

A. Payment of coupon and/or nominal value of State Sharia Securities shall be performed by debiting the rupiah giro account of the Government at Bank Indonesia and crediting the rupiah giro account of the Bank and/or paying Bank appointed by Sub-Registry at Bank Indonesia in the amount of the coupon and/or nominal value of the State Sharia Securities.